

Pursuant to Article IV, Section 14 of the Texas Constitution, I, William P. Clements, Jr., Governor of Texas, do hereby veto HB 9 because of the following objections:

This bill would permit road districts that are experiencing financial difficulties to restructure their debt. The bill would redistribute debt costs among landowners and extend debt service obligations to those with agricultural use exemptions. I believe that this is an inappropriate way to deal with the financial difficulties.

All across the state, debt has been issued in the form of bonds by special districts to build roads and other infrastructure. Repayment of the debt incurred is often based on inaccurate projections of future growth increasing the tax base. Local developers or those responsible for these projects should bear the risk, as they bear the rewards, when problems arise. It is not fair to change the rules in the middle of the game, after the debt has already been issued. Under the provisions of this bill, the local county commissioners could completely change who has to repay the debt, in what amounts, and even include agricultural use landowners who have been completely exempt from these type of taxes.

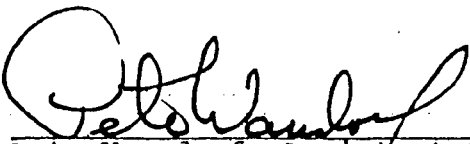
I do not agree with the way this bill handles the problem of a financially distressed road district. The 72nd Legislature should thoroughly review the problems with these types of districts and consider the impact of this type of legislation on other special districts throughout the state.

The Secretary of State shall take notice of this action and notify the Legislature.

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused the seal of the State to be affixed hereto at Austin, this 21<sup>st</sup> day of June, 1990.



William P. Clements, Jr.  
Governor of Texas



Pete Wassdorf, Assistant Secretary of State

for:  
George S. Bayoud  
Secretary of State

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE

JUN 21 1990